

Governors Insurance Council
Minutes of Meeting, February 23, 2016

The meeting was called to order by Chairperson Cristie Hanaway at 8:30 a.m. and held at the office of Independent Insurance Agents on Post Road, Warwick, RI.

I. Introductions, Attendance

Attendance was taken and each member or guest introduced himself or herself. Members in attendance were Larry Alan, Donald F. Baldini, Doug Brown, Daniel Bryant, Matt Carey, Anne M. Casillo, Paul Damiano, Robert Diubaldo, Elizabeth Dwyer, Cristie Hanaway, Michael Lynch, Mark A. Male, Terry Martiesian, Frank O'Brien, John Partridge, and Bob Suglia.

Interested parties in attendance were Henry Boeniger, Alison Cooper, Susan Giacalone, Brian Goldman, Lynne Grinsell, Tim Knapp, Courtney Larkin, Barbara Law, Sean O'Connor, Patricia Oceau, David Pellegrino, Jacqueline Plante, Elizabeth Suever, Jay Swiatek, Ernest Shaghalian, Jr., Jeffrey Taylor, Paul Tetrault, Joe Torti and Amy Vitale.

II. Antitrust Admonition

Chairperson Hanaway provided the antitrust admonition.

III. Approval of minutes:

- Motion: To approve the minutes for January 26, 2016
- Vote: Motion carried

IV. Reports from Ex-Officio Members and Discussion

a) Governor's Office – No report

b) Attorney General – Gen Martin reported that the Attorney General's Office was reviewing the recent NCCI filing and will be providing comments.

c) Department of Business Regulation Update: Superintendent Dwyer provided an update on Regulations:

- Regulation 21 – Medical Malpractice Insurance, has been approved and filed with the Secretary of State's office, to be effective March 21, 2016.
- Regulation 108 – A hearing has been held and a revised Regulation has been submitted to the Office of Regulatory Review, with a response pending.

There were no bulletins or consumer alerts issued by the Department.

Legislation and other matters of interest:

SB2322 – regulates sales of insurance by car dealers.

Flex Rating - Insurers were reminded that a flex rate filing was to be used only once per year, and in place of (and not in conjunction with) a regular rate filing. Misuse of the flex filing law could lead to its demise in the Legislature.

Rhode Island Auto Plan Policies – Insurers and AIPSO are continuing discussions to resolve the issues of claims filed prior to a policy number being issues. It is expected to have a resolution in a few months.

d) Department of Labor and Training Update: Asst. Director, Matt Carey reported that the Workers Compensation Advisory Council meeting would be looking at fraud issues as well as hearing from the misclassification task force.

V. Legislative Updates:

a) P&C: Bob Suglia noted that the Legislature makes a return from recess today. The House and Senate have passed the Tolling Bill and the Governor has signed it. There have not been any auto body bills to follow this year.

Bills of interest we do continue to follow are:

H 7125 – Misc. amendments regarding life insurance cancellation/conversion and protection for armed forces in auto insurance.

H7470 – Prohibits use of credit scores, occupation or education level in auto rating.

H7587 - Prevents an applicant's credit history in determining auto insurance rates.

H7252 – Removes exemption to the deceptive trade practices act for DBR regulated businesses.

H7412 – Makes refusing to compensate a claimant for loss of use of a rental vehicle an unfair claims practice.

H7321/S2231 – Creates an electronic automobile insurance confirmation/compliance system including use of license plate readers. This bill is scheduled for consideration in House Corporations later today.

S2009 – Restricts use of hurricane & windstorm damage deductibles on commercial property.

S2228 – Requires the director of business regulation to respond to complaints within 30 days of receipt of insurer's response.

Discussion followed regarding H7321. Frank O'Brien motioned to give Chairperson Hanaway the authority to draft a letter to Governor Raimondo recommending veto on these bills (HB7321 & SB2231). The motion was seconded and passed on a voice vote, with Superintendent Dwyer, Asst. Director Carey, and Gen Martin abstained.

b) Workers Compensation: Michael Lynch reported that the Workers Compensation Advisory Council will meet on Wednesday and review the following items:

1. Travel and transportation expenses;
2. Disfigurement benefits; and
3. Exclusive remedy as it relates to giving employees of Temp Agencies the ability to sue

Three bills of note are HB7629, a pro employer bill, HB7631, a disfigurement bill and HB7632, suitable alternative employment bill.

At the last meeting of the Medical Advisory Board, there was a determination made on limiting the use of compound medications, a large cost driver in the workers compensation area.

The judicial vacancies on the workers compensation court remain to be filled, resulting in a backlog of cases to be heard.

c) Health: Terry Martiesian provided information on bills of interest: HB7301/SB2052, provides special enrollment for maternity coverage; and HB7510, requires public hearing for HMOs who propose rate increases in the individual market. He also indicated bills were pending to require gender neutral rating in health insurance, and a requirement for health insurers to provide updated directories of network providers.

d) Life: Dan Bryant reported on the following bills of interest: HB7125/SB2011, provides protections for consumers and small businesses in the areas of insurance, real estate and accountancy; HB7219 establishes a private employer IRA program; and SB2187, provides protection to retirees whose pensions are divested of ERISA protections - This bill is significant for larger companies like the Motorola's and Verizon's.

VI. There being no further business, the meeting was adjourned at 9:15 a.m.

VII. The next meeting will be held on Tuesday, March 22, 2016

Respectfully submitted,

Robert P. Suglia
Secretary